

AMENDED IN ASSEMBLY JULY 1, 2008

AMENDED IN SENATE APRIL 8, 2008

AMENDED IN SENATE MARCH 26, 2008

**SENATE BILL**

**No. 1204**

---

**Introduced by Senator Denham**

**(Coauthors: Senators Battin, Cedillo, Harman, and Runner)**

(Coauthors: Assembly Members Berryhill, Cook, DeVore, Garrick, Horton, Maze, Sharon Runner, ~~and Spitzer~~ *Spitzer, and Tran*)

February 13, 2008

---

An act to add *and repeal* Section 87500.1 ~~to~~ of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as amended, Denham. Political Reform Act of 1974: electronic filing.

Existing law requires that candidates for and current holders of specified elected or appointed state and local offices and designated employees of state and local agencies file statements of economic interests disclosing their financial interests, including investments, real property interests, and income.

This bill would, *until January 1, 2012*, authorize a state or local filing officer to allow the electronic filing of statements of economic interest. *The bill would require those filing officers who permit electronic filing to file a report with the Legislature on the safety, security, and effectiveness of electronic filing.*

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes

upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares the following:

2 (a) Existing law contained in the Political Reform Act of 1974  
3 requires tens of thousands of public officials to complete and file  
4 statements of economic interests (Form 700) in paper form with  
5 thousands of filing officers and filing officials in public agencies  
6 statewide.

7 (b) Today, many similar business processes are handled  
8 electronically by private sector and public sector entities, saving  
9 these organizations millions of dollars in labor and costs of  
10 materials.

11 (c) E-commerce is a methodology that is becoming progressively  
12 familiar and comfortable to the people of California. Electronic  
13 banking and e-filing of state and federal income tax returns are  
14 common.

15 (d) E-commerce is particularly well suited to completing, filing,  
16 processing, and storing Form 700s, in that it provides ease and  
17 convenience for the filer, as well as preserves the safety and  
18 security of the electronic information. Further, it permits significant  
19 operational efficiencies for public agency filing officers.

20 (e) Electronic filing of Form 700 provides a convenience for  
21 filers and aids in their prompt compliance with the act.

22 SEC. 2. Section 87500.1 is added to the Government Code, to  
23 read:

24 87500.1. (a) A state or local filing officer may allow, but may  
25 not require, the electronic filing of statements of economic interests  
26 required by Article 2 (commencing with Section 87200) and Article  
27 3 (commencing with Section 87300) in accordance with existing  
28 regulations adopted by the commission and requirements  
29 established by state and local filing officers. Forms for electronic  
30 filing shall be identical to those filed nonelectronically.

31 (b) A statement filed electronically must include an electronic  
32 transmission that is submitted under the penalty of perjury and

1 that conforms to subdivision (b) of Section 1633.11 of the Civil  
2 Code.

3 (c) The filing officer shall utilize a system that includes  
4 firewalls, data encryption, secure authentication, and all necessary  
5 hardware and software and industry best practices to ensure that  
6 the security and integrity of the data and information contained in  
7 the statement of economic interests are not jeopardized or  
8 compromised.

9 (d) The filing officer shall provide the public with a copy of an  
10 official's statement of economic interests upon request, in  
11 accordance with Section 81008.

12 *(e) Any filing officer that allows the electronic filing of*  
13 *statements of economic interest pursuant to this section shall*  
14 *submit to the Legislature a report evaluating the safety, security,*  
15 *and effectiveness of the electronic filing process no later than July*  
16 *1, 2011.*

17 *(f) This section shall remain in effect only until January 1, 2012,*  
18 *and as of that date is repealed, unless a later enacted statute, that*  
19 *is enacted before January 1, 2012, deletes or extends that date.*

20 SEC. 3. The Legislature finds and declares that this bill furthers  
21 the purposes of the Political Reform Act of 1974 within the  
22 meaning of subdivision (a) of Section 81012 of the Government  
23 Code.